**REPORT TO THE SENATE APPROPRIATIONS COMMITTEE ON HEALTH AND HUMAN SERVICES**
**THE HOUSE OF REPRESENTATIVES APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES**
**THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES**
**AND**
**THE FISCAL RESEARCH DIVISION**

**ON**

# SERVICES TO MULTIPLY DIAGNOSED ADULTS

**Session Law 2005 -276,**
**Senate Bill 622**
**Section 10.26**

**MAY 1, 2006**

**NORTH CAROLINA**
**DEPARTMENT OF HEALTH AND HUMAN SERVICES**
**DIVISION OF MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES**

**Report to the Senate Appropriations Committee on Health and Human Services, The House of Representatives Appropriations Subcommittee on Health and Human Services, the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services, and the Fiscal Research Division**

## Services to the Multiply Diagnosed Adults

**May 1, 2006**

The General Assembly of North Carolina, in its 2005 Session, passed legislation (Session Law 2005 – 276, Senate Bill 622, Section 10.26) to establish guiding principles for the provision of services to multiply diagnosed adults. The Department of Health and Human Services (DHHS), Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), is charged with providing services that are medically necessary and must implement a utilization review process for services provided. In addition, DHHS must implement outlined cost-reduction strategies and ensure that no state funds shall be used for the purchase of single-family or other residential dwellings to house multiply-diagnosed adults. This report demonstrates the implementation of this section.

**Section10.26. (a)**

***(1) Implement the following guiding principles for the provision of services:***

***a. Service delivery system must be outcome-oriented and evaluation-based.***

The DMH/DD/SAS complies with this requirement at both a consumer-specific and system level in the following ways.

The new service delivery system is based upon person-centered plans that include individual outcomes and strategies. Those plans will be evaluated on an ongoing basis by staff of the LMEs and the statewide Medicaid utilization review (UR) vendor to assure progress is being made toward those outcomes by each individual.

The Quality Management Team of the DMH/DD/SAS manages outcome processes at an aggregate level. Outcomes are integrated for the entire developmental disabilities population, including individuals who have multiple diagnoses. The primary vehicle for outcomes for this population is the National Core Indicators. These indicators examine the service delivery system by gathering input from consumers and families, as well as various data sources from state and local entities. The Consumer Survey measures whether individuals are satisfied with the services they receive, whether they make decisions about their lives, whether they are respected and other indicators of quality of life. While the information collected is inclusive of the entire population of individuals with developmental disabilities, results can be separated by diagnosis, so that the

Division can ensure that the population with multiple diagnoses is achieving appropriate outcomes and continues to have quality of life.

***b. Services should be delivered as close as possible to the consumer's home.***

With the implementation of the new service definitions, the availability of services that go to consumers in the community, rather than forcing consumers to go to a designated physical location to receive services, will increase significantly. In addition, through the allocation of community capacity funding the Division has provided start-up funding to spark the development of additional services in communities.

The new Medicaid State Plan which calls for all providers to directly enroll with the Medicaid program to provide services will also increase the number of providers available in each community and increase the choices that consumers have in their choice of service provider.

***c. Services selected should be those that are most efficient in terms of cost and effectiveness.***

The new service array includes services that are evidence-based best practices, emerging best or promising practices or services that provide a platform for the delivery of evidence-based best practices. These services, since they are specifically designed and tested to ensure they produce the best outcomes for consumers, are very cost effective. In addition, the implementation of standardized UR for all Enhanced Benefit Services will guard against under- utilization or over-utilization of services to assure that the frequency and type of service fit the need of the consumer.

***d. Services should not be provided solely for the convenience of the provider or the client.***

Services are authorized based upon a person centered planning process which does take into account the goals and objectives of the consumer but also ensures that all services authorized are medically necessary. Services are not authorized solely for the convenience of the provider or the consumer.

***e. Families and consumers should be involved in decision making throughout treatment planning and delivery.***

Consumers and families are involved in all aspects of decision-making regarding treatment planning and delivery of services and supports. This is an underpinning of the person-centered planning approach that has been adopted by the DMH/DD/SAS.

***(2) Provide those treatment services that are medically necessary.***

All of the services included in the DMH/DD/SAS service array, regardless of funding source, are delivered based on medical necessity and clinical appropriateness. The

person-centered planning process, including assessment information, provides the data to demonstrate medical necessity for the service.

***(3) Implement utilization review of services provided.***

UR is part of the system's overall strategy for managing service use by individuals. This function includes eligibility determination, assuring medical necessity, person-centered plan authorization and utilization review. The DHHS is moving to standardize UR by having one statewide vendor, ValueOptions, perform UR functions for all Medicaid paid MH/DD/SA services. The Secretary of DHHS has also charged the DMH/DD/SAS to develop a technical assistance team that will work with LMEs to develop standardized authorization guidelines for all state-funded services.

**SECTION 10.26. (b)** ***The Department of Health and Human Services shall implement all of the following cost-reduction strategies:***

***(1) Preauthorization for all services except emergency services.***

UR reviews and authorizes the person-centered plan before services are provided and the plan is re-evaluated at least annually. All services and supports that are to be provided must be included in the plan.

***(2) Criteria for determining medical necessity.***

Criteria for medical necessity/clinical appropriateness are established by the DMH/DD/SAS, in conjunction with the Division of Medical Assistance for Medicaid-covered services, and are required for all services.

***(3) Clinically appropriate services.***

On an individual consumer level the clinical appropriateness of services is determined through the approval of the Person Centered Plan.

At an aggregate level, through the NC Practice Improvement Collaborative (PIC) the DMH/DD/SAS has developed a Best Practice Committee for each disability area. These committees will assist the Division with the acquisition of new knowledge about evidence-based practices, as well as emerging best practices.

**SECTION 10.26. (c)** ***No State funds shall be used for the purchase of single-family or other residential dwellings to house multiply-diagnosed adults.***

Policies are in place to prohibit the purchase of dwellings to house adults with multiple diagnoses and no purchases have been made. Service dollars are predominantly used for direct care services that are billed through the Integrated Payment and Reporting System.